

29 October 1954

MEMORANDUM FOR: Deputy Director, Administration

SUBJECT : CIA Participation in the Cost of Establishing the NIC

1. Director of Central Intelligence Directive No. 1/2, approved by the IAC on 4 May 1954, created a National Indications Center (NIC) to support the Watch Committee of the IAC. The Department of the Air Force has been designated by the Office of the Secretary of Defense as the agency to provide administrative support for the NIC, which will be located in the Pentagon.

2. On 1 October, at a meeting of the Assistant Director, Budget, Office of the Secretary of Defense, Comptroller, with representatives of the NIC, it was decided that the costs of establishing the NIC will be shared equally by the Department of the Army, the Department of the Air Force, the Department of the Navy and the Central Intelligence Agency. It was also decided that the operating costs, except for salaries, will be borne by the Department of the Air Force, as the administrative agent for the NIC, under the principle of single-source budgeting.

3. The cost of establishing the NIC is approximately [redacted]. The Department of the Air Force will contact the Central Intelligence Agency for payment of approximately [redacted] as this Agency's share.

SIGNED

C. P. CABELL
Lt. Gen., USAF
Deputy Director

NIC:JJH:avl
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NOTE FOR RECORD (REF PARA. 3 ABOVE):
Estimated total cost later revised to [redacted] of which CIA's share is [redacted] (the three services each to pay equal amount, w/AF paying an add'l. [redacted] for operating costs.

~~SECRET~~

NIC

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